

**MARKS & CLERK***Intellectual Property***EXHIBIT 1**

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please quote  
our reference

**JDC/KD/WPP84226**

your reference

date

**26 March 2003**

Document : 909294

Dear Mr Grovit

**RE: International Patent Application No. PCT/GB01/03174  
in the name of Chequepoint Franchise Corporation**

We have received the International Preliminary Examination Report and enclose a copy.

In the examination report, it is stated that the present application has not been examined since no international search report has been established for any of the claims.

An international search report was not established on the international application because the present invention was deemed to relate to a scheme, rule or method of doing business. Methods of doing business are not considered to be inventions under the PCT and, as such, are not patentable.

This was expected and, unfortunately, we are unable to respond to this objection at this time. However, the reason for requesting an international preliminary examination was that it allows a 30 month period from the earliest priority date to file national phase applications under Chapter II of the PCT. The International Preliminary Examination Report is purely advisory and if it had not been requested the deadline for entering the national phase, i.e. paying the national fees in countries such as Brazil, South Korea, Norway, Singapore, Yugoslavia and South Africa would have been 5 March 2003.

The deadline for the national phase is 5 January 2004. Please let us know the countries in

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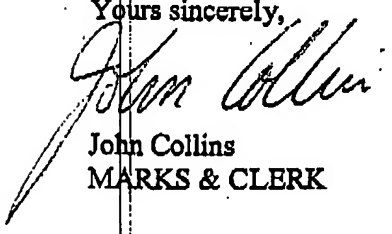
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which you would like to enter the national phase by 5 December 2003 so that we have time to prepare translations if necessary.

Yours sincerely,

  
John Collins  
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